

Reps. Peter Welch (D-Vt.) and Walter Jones (R-N.C.) today applauded news that the Special Inspector General for Afghanistan Reconstruction (SIGAR) has begun an audit of the practice by the Afghan government of taxing U.S. companies delivering aid to the war-torn country.

In a joint statement, Welch and Jones said, “This is a step in the right direction. We’re hopeful this audit will and bring to an end the absurd practice by the Afghan government of taxing America’s effort to rebuild their country. While such behavior may make sense in Hamid Karzai’s world, it makes no sense to the American taxpayer.”

Welch and Jones have been working to address the issue [since it first was reported](#) that the Afghan government was sending overdue tax bills to U.S. contractors working in the country and threatening to arrest personnel or confiscate goods if those contractors refused to pay.

In December of 2011, Welch and Jones introduced the Stop Taxing American Assistance to Afghanistan Act (H.R. 936) to bar future assistance to Afghanistan unless U.S. contractors and subcontractors delivering aid are exempt from taxation by the government of Afghanistan. Welch and Jones successfully amended the National Defense Authorization Act – which passed the House in May – to include a provision similar to H.R. 936.

According to SIGAR, the audit will focus on supplies, materials, equipment or other property imported into or acquired within Afghanistan under U.S. contracts funded with reconstruction funds from the State Department, Defense Department and U.S. Agency for International Development that may be subject to tariffs, customs duties, and other taxes or similar charges by the Afghan government.